- Committee on Finance ESTIMATED REVENUE EFFECTS OF A POSSIBLE PACKAGE THAT WOULD PROVIDE TEMPORARY TAX RELIEF FOR AREAS DAMAGED BY 2008 MIDWESTERN SEVERE STORMS, TORNADOS, AND FLOODING [1]

Fiscal Years 2009 - 2018

[Millions of Dollars]

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
I. Temporary Tax Relief for Areas Damaged by													
2008 Midwestern Severe Storms, Tornados, and													
Flooding [2]													
A. Tax Benefits for the Midwestern Disaster Area	1: POE 0												
1. Special allocation of private activity bond	bia DOE &	•		0.5	105	4.5	150	1.55	454	150	4.5		4.000
financing (\$1,000 per capita)	before 1/1/13	-9	-45	-96	-137	-167	-178	-177	-174	-170	-167	-454	-1,320
2. Low-income housing credit (special credit													
allocation of \$4 per capita in 2009, 2010, and													
2011) (sunset 12/31/11)	caa 12/31/08	-10	-43	-89	-125	-139	-139	-139	-139	-139	-139	-406	-1,101
3. Special allowance for certain property:													
a. Equipment (sunset 12/31/11)	ppisa tadd	-30	-16	3	8	9	7	5	3	2	1	-26	-8
b. Structures (sunset 12/31/12)	ppisa tadd	-33	-39	-42	-44	-29		3	4	5	5	-187	-171
4. Increase expensing under section 179 (sunset													
12/31/11)	ppisa tadd	-16	-7	-6	2	9	6	4	3	2	1	-17	-2
5. Partial expensing for certain demolition and													
clean-up costs (sunset 12/31/10)	apoia tadd	-2	-1									-3	-3
6. Extension for expensing for environmental													
remediation costs (sunset 12/31/10)	epoia tadd	-6	-4	-1	1	1	1	1	1	1	[3]	-9	-6
7. Increase rehabilitation credit (sunset 12/31/10)	epoia tadd	-2	-1	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	-3	-3
8. Treatment of net operating losses attributable	•												
to storm disaster losses	DOE	-103	-23	12	15	15	13	11	9	8	7	-83	-37
9. Credit to holders of Midwestern tax credit	bia 12/31/08 &												
bonds	before 1/1/10	-7	-26	-41	-34	-8	-8	-7	-7	-7	-7	-116	-152
10. Expansion of Hope Scholarship and Lifetime													
Learning Credits for students in the	tyba 12/31/07 &												
Midwestern disaster area	before 1/1/10	-71	-50									-121	-121

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
 11. Temporary income exclusion of \$600 monthly for employer-provided lodging in Midwestern disaster area; employer credit of 30% of excluded amount	[5]	-20	-2									-23	-23
for qualified disaster recovery assistance distributions (capped at \$100,000 per taxpayer); allow amount of distribution to be repaid to an eligible retirement plan within three years and to be included in income ratably over three yearsb. Recontributions of withdrawals for home purchases cancelled due to qualified storm	dmo/a tadd & before 1/1/10	-34	-6	3	-1	-1	-1	[4]	[4]	[4]	[4]	-40	-42
damage	[6]					Negli	gible Rev	venue Eff	ect				
designation of the area as a disaster area	[7]					Negli	gible Rev	enue Effe	ect				
affected by severe storms, tornados, and flooding	wpoia tadd & before 1/1/09	-64	-18	-8	-2							-93	-93
qualified charitable contributions for relief efforts related to the Midwestern disaster area 15. Suspension of the 10% and \$100 thresholds on	[8]	-700	92	66	53	26	13	7	5	3	2	-463	-433
personal casualty losses for losses which arise in the Midwestern disaster area	lao/a tadd	-61										-61	-61
year's income in the calculation of the EIC	tyi tadd	-89										-89	-89

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
17. Secretarial authority to make adjustments regarding taxpayer and dependency statusB. Modifications to the Katrina Emergency Tax Relief Act of 2005	tybi 2008 or 2009					Negli	igible Rev	venue Eff	ect				
 Additional \$500 personal exemption for Midwestern displaced individuals (staying as houseguests for at least 60 days) subject to 	tybi 2008												
maximum additional exemptions of \$2,000 2. Increase in standard mileage rate for charitable use of a vehicle for providing relief related to	or 2009 cmo/a tadd &	-8	-2									-10	-10
the Midwestern disaster area	before 1/1/09	-9										-9	-9
disaster area up to standard business mileage rate	uopao/a tadd & before 1/1/09	-1										-1	-1
indebtedness for certain taxpayers affected by severe storms, tornados, or flooding	Dmo/a tadd & before 1/1/10	-4	-2									-6	-6
of gain for property located in Midwestern disaster area	DOE	-30	-41	-3	1	1	1	2	2	2	2	-73	-65
Total of Temporary Tax Relief for Areas Damaged by 2008 Midwestern Severe Storms, Tornados, and Flooding		1,309	-234	-202	-262	-284	-286	-290	-293	-294	-296	-2,293	-3,755
II. Extend and Modify Enhanced Charitable Deductions for Contributions of Food Inventory (sunset 12/31/09)	cma 12/31/07 & cmi tyea DOE	-102	-58									-160	-160
III. Extension of Enhanced Charitable Deduction for Contributions of Book Inventory (sunset 12/31/09)	cma 12/31/07	-30	-15									-45	-45

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
IV. Reporting Requirements Relating to Disaster Relief Contributions	rfa 12/31/08					Neglig	gible Rev	enue Eff	fect				
NET TOTAL	•••••	-1,441	-307	-202	-262	-284	-286	-290	-293	-294	-296	-2,498	-3,960

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be October 1, 2008.

Legend for "Effective" column:

apoia = amounts paid or incurred after

bia = bonds issued after

bib = bonds issued before

caa = credits allocated after

cma = contributions made after

cmi = contributions made in

cmo/a = contributions made on or after

dmo/a = distributions made on or after

Dmo/a = discharges made on or after

DOE = date of enactment

epoia = expenditures paid or incurred after

lao/a = losses arising on or after

ppisa = property placed in service after

rfa = returns filed after

tadd = the applicable disaster date

tyba = taxable years beginning after

tybi = taxable years beginning in

tyea = taxable years ending after

tyi = taxable year including

uopao/a = use of passenger automobile

on or after

wpoia = wages paid or incurred after

- [1] Estimates are subject to change as additional data on the scope of provisions is finalized and the duration of proposal is determined.
- [2] The "Midwestern Disaster Area" means an area to which a major disaster has been declared by the President after May 20, 2008, and before August 1, 2008, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of severe storms, tornados, or flooding occurring during May or June of 2008 in the states of Arkansas, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, and Wisconsin. The "Midwestern Disaster Area" means an area determined by the President to warrant individual or individual and public assistance from the Federal Government under such Act with respect to damages attributable to such severe storms, tornados, or flooding.
- [3] Gain of less than \$500,000.
- [4] Loss of less than \$500,000.
- [5] Effective for lodging provided during the six-month period beginning on the first day of the first month after the applicable disaster date.
- [6] Effective for distributions made after the date which is 6 months before the applicable disaster date and before the date which is the day after the applicable disaster date.
- [7] Increase in loan limits effective for loans made after the date of enactment and before January 1, 2010; repayment relief for loans outstanding beginning on the date of enactment of the Housing and Economic Recovery Act of 2008, and ending on December 31, 2009.
- [8] Contributions paid during the period beginning on the earliest applicable disaster date and ending on December 31, 2008.